

**CHAPTER 29**  
REGULATION OF BANKING  
H.F. 136

**AN ACT** relating to matters under the purview of the banking division of the department of commerce, including permissible investments, notice requirements, and requirements for a person obtaining control of a state bank.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. [Section 524.533, subsection 1](#), Code 2023, is amended to read as follows:

1. Written notice stating the place, day, and hour of a meeting of the shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, ~~either personally or by mail~~, by or at the direction of the president, the cashier, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at the meeting. ~~If mailed, the notice is deemed to be delivered when deposited in the United States mail addressed to the shareholder at the shareholder's address as it appears on the stock transfer books of the state bank with postage prepaid.~~ As used in [this section](#), the term “notice” means as defined in [section 490.141](#). The written notice required by [this section](#) may be given by any method of delivery that is permitted in [section 490.141](#), and the notice shall be deemed to be delivered when the notice becomes effective pursuant to [section 490.141, subsection 9](#).

Sec. 2. [Section 524.544, subsection 1](#), Code 2023, is amended to read as follows:

1. Whenever any person proposes to purchase or otherwise acquire directly or indirectly any of the outstanding shares of a state bank, and the proposed purchase or acquisition would result in control or in a change in control of the state bank, the person proposing to purchase or acquire the shares shall first apply in writing to the superintendent for a certificate of approval for the proposed change of control. The superintendent shall grant the certificate if the superintendent is satisfied that the person who proposes to obtain control of the state bank is qualified by character, experience, and financial responsibility to control and operate the state bank in a sound and legal manner, and that the interests of the depositors, creditors, and shareholders of the state bank, and of the public generally, particularly the state bank's plans to accept deposits from, lend money in, and process payments in the area the state bank primarily serves, will not be jeopardized by the proposed change of control. A person which will become a bank holding company upon completion of an acquisition shall make application to the superintendent for a certificate of approval as provided in [this section](#). Any other bank holding company shall comply with [section 524.1804](#) in lieu of seeking a certificate of approval under [this section](#). In any situation where the president or cashier of a state bank has reason to believe any of the foregoing requirements have not been complied with, it shall be the duty of the president or cashier to promptly report in writing such facts to the superintendent upon obtaining knowledge thereof.

Sec. 3. [Section 524.607, subsection 2](#), Code 2023, is amended to read as follows:

2. A special meeting may be called by any executive officer or a director. Notice of a meeting shall be given to each director, ~~either personally or by mail~~, at least two days in advance of the meeting. Notice of a regular meeting shall not be required if the articles of incorporation, bylaws, or a resolution of the board of directors provide for a regular monthly meeting date. As used in [this section](#), the term “notice” means as defined in [section 490.141](#). The written notice required by [this section](#) may be given by any method of delivery that is permitted in [section 490.141](#), and the notice is deemed to be delivered when the notice becomes effective pursuant to [section 490.141, subsection 9](#).

Sec. 4. [Section 524.901, subsection 7](#), paragraph a, Code 2023, is amended by adding the following new subparagraph:

**NEW SUBPARAGRAPH.** (6) Tax equity financing transactions in which a state bank provides equity financing to fund a project or projects that generate tax credits or other tax

benefits and the equity-based structure of the transaction permits the transfer of such tax credits or other tax benefits to the state bank. A state bank may take a majority financial position in a project, but shall be a passive investor and shall not take a management position. The investment of state bank funds in a tax credit-generating project are subject to the following restrictions:

(a) The state bank shall not participate in the operation of any project or facility resulting from such a transaction or the sale of energy, if any, derived from the project.

(b) The state bank shall obtain a legal opinion or otherwise demonstrate a good-faith determination that the tax credits or other tax benefits are available before engaging in a tax equity financing transaction.

(c) The tax credits, tax benefits, or other payments the state bank receives from the transaction shall repay the state bank's investment and provide the expected rate of return at the time of the investment.

(d) Except as provided under subparagraph division (c), the state bank shall not share in any appreciation in value of its interests in the project or in any of the real or personal assets associated with the project.

Sec. 5. [Section 524.901, subsection 7](#), paragraph b, Code 2023, is amended to read as follows:

b. A state bank's total investment in any combination of the shares or equity interests of the entities identified in paragraph "a", subparagraphs (1) through ~~(5)~~ (6) shall be limited to ~~fifteen~~ twenty percent of its aggregate capital.

Sec. 6. [Section 524.901, subsection 12](#), Code 2023, is amended by striking the subsection.

Sec. 7. [Section 524.1308A, subsection 5](#), Code 2023, is amended to read as follows:

5. As used in [this section](#), the term "notice" means as defined in [section 490.141](#). The written notice required by [subsection 2](#) may be given by any method of delivery that is permitted in [section 490.141](#), and the notice is deemed to be delivered when the notice becomes effective pursuant to [section 490.141, subsection 9](#).

Approved April 28, 2023